RAJYA SABHA

Tuesday, the 21st December, 1994/30th Agrahayana, 1915 (Saka).

The House met at Eleven of the Clock

[THE DEPUTY CHAIRMAN in the Chair]

ORAL ANSWERS TO QUESTIONS

STATE GOVERNMENT EMPLOYEES TO BE COVERED BY THE CENTRAL PAY COMMISSION

*261. SHRI SUKOMAL SEN: Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 503 given in the Rajya Sabha on the 7th December, 1993 and state:

(a) whether the State Government employees of the country will also be brought under the gamut of the proposed Central Pay Commission; and

(b) if not, whether there will be no discrimination between the Central and State Government employees?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V CHANDRASHEKHAR MURTHY): (a) No, Sir.

(b) Service conditions of Central Government employees are different from those of State Government employees. The service conditions of State Government employees do not fall within the purview of the Central Government. The Central Pay Commissions set up by the Central Government from time to time examine the pay structure of Central Government employees only. The States set up their own Pay Commissions to cover the terms and conditions of State Government employees. Thus, there is no discrimination, as the service conditions of both sets of employees are decided by their respective Governments.

SHRI SUKOMAL SEN: Madam, In the reply the Government has tried to evade the reality of the issue. It is also not correct that the service conditions of the Central Government employees are different from those of the employees of the State Governments. They are not different in all respects. The difference is only in respect of the emoluments. Otherwise, the recruitment age, the retirement age, the leave rules, the pension rules, the conduct rules etc. are guided by the articles of the Constitution. The articles are applied to the employees of both the Central and the State Governments. So, the service conditions both at the Central and the State level are equal. Only in respect of their emoluments the difference is there.

Madam, when they do the same type of work, when they do eight-hours duty and they do the same file work, whether they are employees of the Central Government or they are employees of the State Governments, the question arises why there should be a difference in their emoluments. When the Fourth Central Pay Commission was set up, at that time the unions of the employees of the State Governments demanded that the same recommendations should be made for the employees of the State Governments also so that their emoluments and allowances are on a par with those of the Central Government employees, but the Central Government did not pay heed to it.

Now the Central Government has decided to set up the Fifth Central Pay Commission for the Central Government employees. Now the same question arises. What will the Government do? If they do not bring the employees of the State Governments under the purview of the Fifth Central Pay Commission, are they prepared to provide funds to the State Governments? Immediately after the Central Pay Commission report is out, in all the States there will be a spate of strikes demanding of the State Governments to provide the same scales of pay to the employees of the State Governments also. This was done on the last three or four

occasions. In that contingency, is the Central Government prepared to provide finance....

THE DEPUTY CHAIRMAN: Will you please ask your question? Three minutes you have taken to give the back ground.

SHRI SUKOMAL SEN: Madam, this is my question. After the Pay Commission's recommendations will out or during the functioning of the Central Pay Commission, will the Central Government provide adequate funds to the State Governments to enable them to give allowances and salaries to their employees on a par with those of the Central Government employees because the State Governments have no money? They are devoid of money. The price rise is caused because of the policies of the Central Government. The fiscal policies of the Central Government raise the prices of all commodities. The employees of State Governments demand increase in their D.A. to compensate for it. The State Governments are not responsible for the price rise. Will the Central Government compensate the State Governments for paying the dearness allowance to their employees because the price-rise is caused by Mr. Manmohan Singh's policy and not because of anybody else's policy?

THE DEPUTY CHAIRMAN: He has asked all the supplementaries in one on behalf of everybody.

SHRI M. V. CHANDRASHEKHAR MURTHY: Madam, in accordance with article 246(3) of the Constitution of India, the Legislature of any State has the exclusive powers to make any laws for such State or any part thereof with respect to any of the matters enumerated in List II in the Seventh Schedule, generally called the "State List". The matters concerning the State public services and State pensions have been listed at serial Nos. 41 and 42. The Central Government does not have powers to bring the matters concerning the employees of State Governments under the gamut of the Pay Commission set up by the Central Government.

As I have already stated, it is for the State Governments to consider the problems of their employees. It is for them to decide, and under the provisions of the Constitution they are empowered to do it.

THE DEPUTY CHAIRMAN: Second supplementary. Let it be shorter.

SHRI SUKOMAL SEN: It will be very, very short, but unfortunately I do not know who has written the answer for the Minister. The answer does not understand the problem itself.

The Hon. Minister says that the State Governments will look after the problems of the State Government employees. Now, the problem is created by Mr. Murthy and Mr. Manmohan Singh and you are asking the State Chief Ministers and the State Finance Ministers to look after the problems of the State Government employees. How is it possible? Since they are creating the problem, they are responsible for raising the prices, they are responsible also for providing the funds to the State Governments. Would they agree to it? Why don't they agree to it?

The other thing is that they are setting up the Central Pay Commission. The Central Government Unions have demanded that when their Pay Commission is set up, the members of the Commission should be drawn from the retired Supreme Court or High Court Judges and the terms of reference of the Central Pay Commission should be finalised after consultations and discussions with the Central Government Employees'. Unions and that the Report should come out within one year. What has the Government thought about it? I would like to know this from the Hon. Minister.

SHRI M. V. CHANDRASHEKHAR MURTHY: With regard to the latter part of the question, I would say that the

composition and the terms of reference of the proposed Pay Commission i.e. the Fifth Pay Commission, are under examination.

Regarding price rise, I wish to tell the Hon. Member that during the period between 1985 and 1992, the emoluments paid plus dearness allowance, plus additional dearness allowance plus interim relief for Central Government employees—civilian and regular employees—has increased by 99 per cent as compared to 74 per cent increase in the cost of living.

SHRIMATI MIRA DAS: I am not an economist like our Hon. Finance Minister, but as general public I should say there is no difference of price in the market as between Central Government employees and State Government employees. There might be a difference in conditions of service between State and Central Government employees, but so far as the market is concerned, they have to pay the same price. We all know that State Governments are not in a position. From the Reserve Bank of India bulletin it is known that it has categorically given instructions to the State Governments to lessen their expenditure out of their total revenue. So I ask the Finance Minister categorically from where the State Governments get the money to give to their employees. If the Central Government increases salaries and allowances, from where will the State Government get money to give to their employees?

SHRI M. V. CHANDRASHEKHAR MURTHY: Madam, I already replied that the State Governments have their exclusive powers to constitute Pay Commissions to solve the problems of their Goverament employees.

SHRIMATI MIRA DAS: From where will they get the money to pay?

SHRI M. V. CHANDRASHEKHAR MURTHY: Regarding money I would tell the Hon. House that the State Governments should raise their own resources to meet their demands.

श्री गया सिंह: माननीया उपसभापति महोदया मैं आपके माध्यम से माननीय मंत्री जी से यह जानना चाहता हूं कि केन्द्रीय वेतन आयोग में पिछले दो आयोग से सेन्ट्रल गवर्नमेंट की अंडरटेकिंग्स की जैसे एच.सी.एल. है, एन.बी.सी.सी. है, लगभग 98 ऐसी कंपनियां हैं जिन को थर्ड पे कमीशन और फोर्थ पे कमीशन की सुविधा भी मिल रही हैं और उनको सेन्ट्रल डी.ए. भी मिल रहा है। पिछले बार आपने उन को अलग किया था और सुप्रीम कोर्ट से जीत गए और एक कमीशन बहाल करना पड़ा। इस बार आप सेन्ट्रल गवर्नमेंट की उन कंपनियों को जो सेन्ट्रल डी.ए. और आपके आयोग के आधार पर उनके वेज स्ट्रक्चर हैं, उन को इन्क्लूड कर रहे हैं या नहीं कर रहे हैं, यह मैं आपसे जानना चाहता हूं?

THE MINISTER OF FINANCE SHRI MANMOHAN SINGH: Madam, this is a question relating to the State services. We need a separate notice to answer that question.

SHRI TRILOKI NATH CHATURVEDI: As the Finance Minister is aware, the Fourth Pay Commission did not cover the teachers and other categories, who are under the UGC. This caused lots of delays, resentment and some anomalies in rectifying that position and having the kind of parity that was envisaged by the Government. And some anomaly in rectifying that position and having the kind of parity that was envisaged by the Government. Will the Hon. State Minister for Finance let the House know whether the Government intends to see that this kind of a situation doesn't arise under the Fifth Pay Commission and the employees under the UGC, whether academic or administrative or professional, are accorded a fair treatment from the very beginning without delay?

SHRI M. V. CHANDRASHEKHAR MURTHY: Madam, we have recently constituted the Fifth Pay Commission. The composition and the terms of reference for the proposed Commission are still under consideration.

श्री चतुरानन मिश्र : उप सभापति महोदया, प्राइस राइस और उसके चलते डी.ए., जब केन्द्रीय सरकार कोई डी.ए. देती है तो उसका रिपरकेशन पब्लिक सैक्टर में भी होता है और उसका रिपरकेशन स्टेट गवर्नमेंट एम्प्लाइज पर भी होता है और वह इतना बड़ा होता है कि सालों भर एजीटेशन चलता रहता है और हर जगह कुछ न कुछ आन्दोल चलता रहता है और इससे स्टेट और सेंटर का रिलेशन भी खराब होता है । इसलिए मैं मंत्री महोदय से पूछना चाहता हूं कि कोई ऐसा मेकेनिज्म हो कि जिससे डी.ए. जब बढ़े तो हरेक राज्यों से और पब्लिक सैक्टर से भी कंसल्ट करके कि कैसे उसको मीट करें, कोई रास्ता निकाल जाए, ऐसा कोई मेकेनिज्म सरकार इन्वाल्व करेगी ?

THE DEPUTY CHAIRMAN : Do you have a parity ?

SHRI MANMOHAN SINGH : Madam, our Government made every effort to bring about a national consensus on this subject. This subject was explicitly raised twice in the National Development Council; and I am sorry to say that certain State Governments did not cooperate in this matter. But we will certainly make every effort to see that there is a broad national consensus on all these matters.

PROF. SAURIN BHATTACHARYA : Madam, even after answering so many supplementaries, the basic issue remains untouched. On behalf of the State Governments, particularly the Government of West Bengal, its Chief Minister had raised the question of a policy regarding pay revision, dearness allowance, etc., so that the State Government employees can enjoy benefits at par with the Central Government employees or at least on a comparable basis. The price rise and other factors lead to pay revision. This affects equally the Central Government employees and the State Government employees. In view of the constraint of resources on the part of all the States because the resources of the States have really been taken away from them, would the Finance Minister consider seriously the question of bringing about a sort of parity between the State Governments employees and the Central Government employees in matters of pay rise, dearness allowance, compensatory allowance, etc. ?

SHRI MANMOHAN SINGH : Madam, my colleague has already answered this question and I can only repeat what he has said. The Central Government cannot take upon itself the responsibility and decide what the pay scales of the State Government employees should be. It is the Constitutional right and obligation of the State Governments to take decisions in this regard.

With regard to overall financial situation in the country, we do recognise that when pay revision takes place, dearness allowance increases are made, this casts additional burden both on the Centre and the States. It is in pursuance of this very considertion that the Planning Commission had appointed a committee of the National Development Council under Shri Biju Patnaik. That Committee's report was considered twice.... and I regret to say that certain State Governments unequivocally said that they are not going to be a party to its implementation. In this background there is nothing that I can do.

FUNDS FOR POWER PROJECTS IN PUNJAB

*262. SHRI IQBAL SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Punjab is still lacking funds to finance its current power projects at Shahpur Kandi and Thein dam and the extension work at Guru Nanak Thermal Plant at Bhatinda; and

(b) if so, the details thereof and what steps are being taken by Government to provide adequate funds for these development works ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) and (b) A statement is laid on the Table of the House.

STATEMENT

Annual Plan for Punjab for 1993-94 was approved at Rs. 1250 crores to be funded by Central support of Rs. 1396.88 crores including Special Plan Loan of Rs. 939 crores. The State Government agreed to raise the resources of Rs. 311 crores including Rs. 100 crores from A. R. M. measures to give Aggregate Plan Resources of Rs. 1250 crores. The Central Government is meeting its commitments. However, resource mobilization efforts of Punjab will be known fully only at the end of the financial year and their final Plan achievement for 1993-94 will depend upon the extent to which Punjab Government can meet its commitments for raising resources.

The power projects of Shahpur Kandi and Thein Dam and the extension work at Guru Nanak Thermal Plant at Bhatinda in Punjab will form part of the State's Annual Plans. The Annual Plan for Pujab for 1994-95 has not yet been finalised. The Planning Commission, while conveying approval to Shahpur Kandi Dam Project and the extension work at Guru Nanak Thermal Plant at Bhatinda, has also conveyed that the State authorties should make adequate financial provisions for the projects in the ensuing Annual Plans for timely execution of the projects after fully meeting the requirements of all other on-going projects as well as the optimum requirements for Transmission and Distribution Schemes. The abovementioned projects will therefore be a part of the State's Annual Plans.

श्री इकबाल सिंह : मैडम, मंत्री जी ने जो अपने जवाब में कहा है कि पंजाब को 1250 करोड़ रु. 1993-94 में और उसके बाद 1396.88 करोड़ की मदद दे दी है । लेकिन मैं मंत्री जी से जानना चाहता हूँ और यह कहना भी चाहता हूं कि पंजाब ने पहले दो बार झेले—1965 का और 1971 का और उसके बाद 12 साल से पंजाब में आर्थिक वार टेरेरिज्म का फैला हुआ है, उसकी वजह से पंजाब में जो सिक्युरिटी का खर्च हुआ, पहले सिक्युरिटी का खर्चा था 36 करोड़ रुपए प्रति वर्ष लेकिन अब 450 करोड़ रुपए के ऊपर हो रहा है और सी.आर.पी., बी.एस एफ. और आर्मी, इनका सारा खर्चा पंजाब के ऊपर डाला जा रहा है, जबकि टेरेरिज्म की वार सिर्फ पंजाब की वार नहीं है, यह हिन्दुस्तान की वार है, पूरे भारतवर्ष के लिए हमने लड़ी है लेकिन उसके बाद फैसला यह किया गया कि 6600 करोड़ रुपए पंजाब वापिस करे केन्द्र सरकार को । मैं माननीय मंत्री जी से जानना चाहता हूं कि जो इन्होंने 600 करोड़ रुपए 200 करोड़ रुपए प्लस टैक्सिस 800 करोड़ रुपए की एक किस्त मांगी है, पंजाब को इसे वापिस करने के लिए 15 साल लगेंगे और पंजाब की हालत तो पिछले 10-12 साल में पहले ही इतनी खराब हो चुकी है और इस ढंग से अगर पैसा वापिस देते गए तो पंजाब को तो सारी उम्र किस्तें वापिस करने में लगेगी इसी के साथ-साथ, मैडम, मैं मंत्री जी से दरख्वास्त करता हूं कि यह जो थीन डैम, गुरू नानक थर्मल प्लांट और शाहपुर कंडी वाला है, इसके लिए 600 करोड़ रुपए अलग से चाहिएं ताकि ये डैम कम्प्लीट हो सकें । अगर ये अभी नहीं दे सकें तो इस पर और भी खर्चा आएगा । इसलिए मैं मंत्री जी से जानना चाहता हूं कि आपने पंजाब के लिए क्या सोचा है ?

SHRI M. V. CHANDRASHEHKAR MURTHY : Madam, the question is regarding a demand for funds for power projects in Punjab. By taking into consideration the problems, as stated by the hon. Member, for the year 1992-93, the annual plan fund of Punjab was Rs. 1150 crores and the Central support was as under :

Market borrowing	Rs. 71.5 crores
Negotiated loans	Rs. 51.10 crores
Normal Central assistance	Rs. 152.31 crores
Additional Central assistance for externally-aided projects	Rs. 71.65 crores
Special Plan loan	Rs. 600.00 crores
Deferment of loan repayment	Rs. 611.38 crores
Land revenue dieficit grant	Rs. 10.51 crores.
The total comes to And for the year 1993-94, the Central support is as followd	Rs. 1568.45 crores.
Market borrowing	Rs. 71.23 crores
Negotiated loans	Rs. 71.19 crores
Land Revenue deficit grant	Rs. 12.40 crores
Normal Central assistance	Rs. 159.52 crores
Additional Central assistance for externally-aided projects.	Rs. 147.00 crores
Special Plan loan	Rs. 039.00 crores

The total comes to about—Rs. 1400 crores.

As stated by the hon. Member, these projects, that is, the Shahpur Kandi project, the Thein Dam project and the Guru Nanak Thermal Plant at Bhatinda in Punjab are included in the Eighth Five Year Plan and the State's annual plan for 1993-94. The annual plan outlay for 1993-94 in respect of power sector is about Rs. 496.61 crores.

But it includes three projects—Shahpur Kandi Project—Rs. 15 crores, Ranjit Sagar Thein Dam multi-purpose project—Rs. 220 crores and Guru Nanak Thermal Power Plant, Bhatinda—Rs. 48 crores. In addition to this, I would like to give some information about the outlay on power in respect of Punjab. Compared to the total Plan it is only 39.73 per cent as compared to the all States average it is only 25.7 per cent. The per capita outlay on power is Rs. 245.96 crores compared to the all-States average of Rs. 104.28 crores. This shows that we have been very considerate towards helping Punjab.

श्री इकबाल सिंह : मैडम, मंत्री जी ने ये जो इतना बड़ा पेपर पढ़ा, ये कोई पंजाब के वित्तीय संकट का हल नहीं है । ये तो उन्होंने ठीक कहा कि सैक्रंथ फाईव ईयर प्लान से एट्थ फाई ईय प्लान में ज्यादा पैसा रखा गया है । लेकिन जो इन्होंने सातवें प्लान से आठवें प्लान में ज्यादा पैसा रखा है, क्या इससे पंजाब की वित्तीय समस्या हल हो सकेगी ?

मैंने माननीय मंत्री जी से ये पूछा था और जिसका उन्होंने उत्तर नहीं दिया कि पंजाब ने जो टैररिज्म की इतनी बड़ी लड़ाई लड़ी, यह सारे भारतवर्ष की लड़ाई है, यह मैं पहले ही कह चुका हूं और यहां जो मेरे सांसद दोस्त बैठे हैं वे भी इस बात को मानते हैं । इसके लिए क्या इन्होंने कोई नयी स्कीम बनाई है ? अब देखा जाए तो इन्होंने हमें कहा है कि आप अपने टैक्सेज लगाओ हमने बस किराए बढ़ा दिए, सेल्स टैक्स बढ़ा दिए, आक्ट्रॉय बढ़ा दी लेकिन इससे 3 साल में केवल 1892 करोड़ ही आएंगे । इससे पंजाब का कुछ नहीं होने वाला है । जब तक सेंटर की सरकार पंजाब सरकार की मदद नहीं करेगी, तब तक यह जो 12 साल के टैररिज्म में पंजाब को जो नुकसान

हुआ है, वह पूरा नहीं हो सकता। इसलिए मंत्री जी से मेरी विनती है कि ये इसके लिए कुछ काम करें।

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH) : Madam, our Government fully recognises the special difficulties of Punjab and it is in pursuit of these difficulties that the special Plan loan was extended last year as well as this year. The Central Government has fully met the commitment which it had made after fully consulting the representatives of the Punjab Government for the financing of the Plan of 1993-94. The hon. Member is right that in the course of the last several years, because of terrorist-related activities Punjab finances have suffered. There are problems also of debt service but the Tenth Finance Commission is looking into all these matters. In a few months' time we shall have the report of the Tenth Finance Commission and I feel confident that the problems of States like Punjab would gure prominently in the deliebrations of the Tenth Finance Commission.

श्री वीरेन्द्र कटारिया : मैडम डिप्टी चेयरमैन, मेरे दोस्त इकबाल सिंह ने पंजाब की जो बिगड़ी हुई आर्थिक हालत है, वह हाउस के सामने रखी है। अपना सवाल पूछने से पहले मैं ये अर्ज करना चाहता हूं कि पंजाब का एक स्पैशल मसला है। इन 12 सालों में पंजाब में जो हुआ है.... (**व्यवधान**)

उपसभापति : उन्होंने बता दिया है। आप स्पैसिफिक क्वश्चिन पूछ लीजिए क्योंकि और भी लोग हैं।

श्री वीरेन्द्र कटारिया : मैं स्पैसिफिक क्वश्चिन ही पूछना चाहता हूं। जब थीन डैम का प्रपोजल बना था तो उस वक्त उसका खर्चा 70 करोड़ रुपए के करीब था लेकिन सैंट्रल गवर्नमेंट की लापरवाही से पंजाब के मसले की ओर पूरी तवज्जह न देने से अब जब कि प्लान बना शुरू हुआ तो इस वक्त उसका जो प्लान है वह 600 करोड़ रुपए से भी ज्यादा हो गया है। कहने का मतलब यह है कि केन्द्र से इक्तसादी मदद न देने से पंजाब का खर्चा इतना बढ़ गया है कि इस को स्पेशल ग्रांट की मदद के बिना पूरा नहीं किया जा सकता है। इस लिए मैं जनाब वजीरे खजाना साहब से यह पूछना चाहता हूं कि जो ऐन्युअल लान में मदद दी जाती है वह तो उन्होंने दी है, इनका क्या कोई प्रपोजल थीन डैम के लिए भी है, जैसे इन्होंने 1200 करोड़ रुपए की मदद का ऐलान किया है, इसके अलावा इनका कोई मंसूबा है?

दूसरी बात जो मैं पूछना चाहता हूं वह यह है कि 66 करोड़ रुपए का खर्चा जो पंजाब के ऊपर चढ़ा हुआ है, जिसका इंटरेस्ट हमको हर साल देना पड़ता है, जिसकी वजह से हमारा इक्तसादी ढांचा बरहम-बरहम हो गया है, उसको मुक्ते-निगाह रखते हुए पंजाब की हालत को ठीक करने का कोई प्रोग्राम नहीं हो सकता है? मैं पूछना चाहता हूं कि जो बार-बार गवर्नमेंट की तरफ से कोशिश की जा रही है, हमारी रिक्वैस्ट है। कोई इनका प्रपोजल है कि इस कर्ज को वेव-आफ किया जा सके?

SHRI MANMOHAN SINGH : Madam, I have already mentioned that the problem relating to debt rescheduling is a matter already engaging the attention of the Tenth Finance Commission. The Commission's report will be available in a few months' time and it is only thereafter that we will be able to take a definite view as to what needs to be done. As far as the special problems of Punjab are concerned, the Central Government is fully aware of them. The Central Government has gone out of its way to help the Punjab State Government within the limits of the resources available to the Central Government. With regard to specific projects like Thein Dam, the Planning Commission, in the process of the Eighth Plan implementation, will, no doubt, take into account this project as well as other projects vital to Punjab's prosperity and growth... (*Interruptions*).

SHRI SURINDER KUMAR SINGLA : Madam, I want to ask the hon. Finance Minister a question whether the Tenth Finance Commission, which he referred to, will look into the special problems of Punjab. Is there any special reference made by the Government of India to the Tenth Finance Commission too look

beyond the terms of reference of the Finance Commission ? Is there any special reference made that loans are to be waived in Punjab ? Is there any special reference made to the Tenth Finance Commission to consider things outside the purview of the terms of reference of the Finance Commission ? As I understand it, probably, this is not happening.

SHRI MANMOHAN SINGH : The terms of reference of the Tenth Finance Commission include consideration of the debt problems of all States including Punjab. In any case, the Finance Commission is competent to look into any matter which it considers important.

श्री महेश्वर सिंह: उपसभापति महोदया, क्या मंत्री महोदय इस बात से अवगत हैं कि थर्मल परियोजना से जो बिजली उत्पादन होता है उसकी तुलना में जल विद्युत परियोजना से जो उत्पादन होता है उसमें खर्चा कम आता है ? तो मैं माननीय मंत्री महोदय से जानना चाहूंगा कि क्या सरकार भविष्य में थर्मल परियोजना की तुलना में जल विद्युत परियोजनाओं को ज्यादा प्राथमिकता देगी ? उदाहरण के लिए हिमाचल प्रदेश में ....

THE DEPUTY CHAIRMAN : It does not relate to the question. It is very specific to Punjab. (*Interruptions*) ... So, you may ask the other Minister, not this Minister.

श्री महेश्वर सिंह: पंजाब से ही बता रहा हूं । थर्मल से जो बिजली पैदा होता है वह ..... (**व्यवधान**) हिमाचल प्रदेश पंजाब से मिला हुआ है । ..... (**व्यवधान**)

THE DEPUTY CHAIRMAN : You ask the Power Minister. Question No. 263.

IMPACT OF STAPPING OF POWER SUPPLY TO SEBS BY NTPC

*263. DR. MURLI MANOHAR JOSHI :

DR. NAUNIHAL SINGH :

Will the Minister of POWER be pleased to refer to the answer to Unstarred Questions 582 nd 586 given in the Rajya Sabha on 7th December, 1993, respectively and state :

(a) what could be the possible ramifications of NTPC's decision of stopping power supply to SEBs on the ultimate consumers of electricity; and

(b) in what manner and to what extent the NTPC has been adversely affected by the non-payment of dues by the SEBs, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU) : (a) and (b) A Statement is laid on the Table of the House.

(a) and (b) The functioning of the National Thermal Power Corporation (NTPC) as well as its investment programme has been adversely affected due to non-payment of dues by the State Electricity Boards (SEBs). A statement of dues is annexed (*See* below). It has resulted in reduced availability of internal resources for capital schemes as also in increasing the cost of working capital since NTPC has to consequently resort to commercial borrowings to meet its working capital requirement. The adverse receivables position of NTPC may also affect the disbursement of multilateral assistance to the NTPC. In this background, NTPC has to regulate power supply commensurate with payment to SEBs' to the extent technically feasible. This would ensure that NTPC is run on commercial lines and also provide an impetus to the SEBs to do likewise. Even though restricting supplies would cause hardship to consumers, NTPC was left with no other alternative. Continuance of this situation would have totally jeopardised the functioning of NTPC, affecting its generation and future expansion which would, in turn, have affected consumers even more in the long run.

*The question was actually asked on the floor of the Home by Dr. Na unihal Singh.